

**MINUTES
EAGAR TOWN COUNCIL
REGULAR MEETING
22 W. 2nd St., Eagar, AZ
August 16, 2011 – 7:00 P.M.**

Mayor Kim Holaway called the meeting to order and welcomed those present. Mayor Kim Holaway led the Pledge of Allegiance and Bruce Ray offered the invocation. Mayor Kim Holaway said to let the record show that all council members are present.

COUNCIL PRESENT: Kim Holaway, Mayor
 James Nelson, Jr., Vice Mayor
 Steve Erhart
 Gary Finch
 Debbie Rogers
 Byron Smith
 Tim Rasmussen

STAFF PRESENT: Bill Greenwood, Town Manager
 Doug Brown, Town Attorney
 Bruce Ray, Community Development Director
 Steve Christensen, Public Works Director
 Mike Hogan, Chief of Police
 Eva Wilson, Town Clerk
 Marion Wiltbank, Assistant Town Clerk

ITEM #5: SUMMARY OF CURRENT EVENTS

A. MAYOR

Mayor Kim Holaway acknowledged the documents placed at the Council's table: A letter from the Apache County Sheriff's Posse thanking the Town for their support during the Wallow Fire, and an invitation for the Round Valley Justice Court Ribbon Cutting. Mayor Holaway thanked the Posse for all they did for our citizens during the fire and for their volunteer efforts - she asked that Councilor Gary Finch, who is a member of the Posse, relay the Council's appreciation and acknowledgement of the Posse's letter.

Mayors, vice-mayors and managers from the Towns of Eagar and Springerville met with Representative Gosar last week on Wednesday, August 10, 2011 to present a Ten-Year Economic Plan for the two communities. The two Towns are attempting to arrange meetings with Senator Kyl, Senator McCain and possibly Representative Flake.

Mayor Holaway reported that Eagar Daze events went well, and she thanked the staff for their efforts, and she asked department heads to please share that with their departments. The Eagar Daze review meeting will be held tomorrow at 4:00 p.m. at the Eagar Town Hall.

Boys & Girls Club held an Open House on August 5th and it went well.

Mayor Holaway passed around a brochure and letter regarding the marketing of the River Run Golf Course (the name has been changed back to River Run instead of Greer Lakes.) The brochure portrays how the golf course looks now. Mayor Holaway has replied in a letter offering the Town and Council's assistance and support to the broker.

Mayor Holaway passed around maps of the proposed congressional and legislative redistricting. Redistricting and addition of districts is needed after the results of the 2010 Census that reported a population increase for Arizona. A State appointed Redistricting Committee (a committee of five- two democrats, two republicans and one independent) has been holding meetings around the State discussing options and collecting ideas for the redistricting. No redistricting meetings have been held in Apache County, and three have been held in Navajo County, the closest for Eagar citizens being at Hon Dah. Mayor Holaway has contacted a committee representative stating her concern that a meeting is needed in Apache County and has offered Eagar to host a meeting. One of the proposed redistricting maps is quite disturbing for Apache County and Mayor Holaway would like to place this item on a future agenda as she would to see that Apache County is fairly represented.

A Ramsey Park North Project Plan that Arizona State University student, Eileen Bow, has been working on is at the back table for citizen inspection. Mayor Holaway will schedule Ms. Bow to come back at the end of September to meet with the Town.

B. COUNCIL

Councilor Tim Rasmussen displayed the new signs for Yard of the Month from the Pitch In-Clean Up/Main Street Beautification Committee. Committee member, Joe Sitarzewski, will switch the signs out next month.

C. STAFF

Town Manager Bill Greenwood reported a meeting with Mark Muir, President of GreenFire Energy. GreenFire Energy has selected a site near St. Johns to develop a geothermal energy plant using Co2 instead of water to pick up the heat. Four sensors to monitor earthquakes have been placed on site using high school students to monitor the sensors. If all goes well with the monitors, next year drilling and fracturing will begin. Over the next few years there will be a lot of experimenting conducted, and if it all works out, there is enough Co2 to generate 26 and 27 watts of power. Mayor Kim Holaway inquired as to how many jobs this plant would create. Mr. Greenwood stated that once the drilling between 6,000 to 7,000 feet and fracturing have been started the next couple of years will be the same activity. Drilling will not hire a huge number of employees but they will be highly skilled employees. The construction phase will also require installation of pipelines for the wells. Once the plant is operational, the final employee requirement won't be a huge number.

Eagar has been invited to be a presenter at the League of Arizona Cities along with Sierra Vista. Mayor Holaway and Mr. Greenwood will share a time slot to talk about what was learned and needed for disaster and disaster planning during and after the catastrophic fires

both towns experienced. Councilor Gary Finch stated that he has a PowerPoint presentation with photos that he put together on the Wallow Fire for Apache County, and that the Town is welcome to use it.

Mr. Greenwood reported on a meeting held in the middle of July with the president of Concord Blue. Concord Blue provides the gasification technology for Western Energy Solutions. Concord Blue is currently conducting a demo project with synthetic diesel. Concord Blue is impressed with this area and the feedstock available, stating that Eagar could qualify as one of their project sites. It was discussed that if Eagar can sell a mega watt of power, using the local feedstock, Concord Blue can deliver a mega watt unit within 90 days for phase one of a gasification plant. Mr. Greenwood followed up this conversation with Navopache Electric Cooperative Inc. (NEC). If an agreement NEC has with a solar company is not honored soon, this agreement will be in default and could be terminated by the NEC Board allowing the NEC Board to consider biomass energy and synthetic diesel, of which they are very interested in.

Interim Public Works Director Steve Christensen reported that crews have been working on Water Canyon cleaning it up, and improving road crossings at 6th and 4th Streets at River Road.

Mr. Christensen distributed a public works project draft list for the rest of the year.

- Cemetery irrigation and grass seeding project has begun with crews squaring and laying out the Maple Section. Fire Chief Howard Carlson has assisted Ron Welch with the sprinkler system design and this project is projected to be completed by August 31, 2011.
- Butler and Main Streets State Transportation Improvement Project (STIP) request for proposals has been sent to ADOT to get our procurement approved to hire engineers for the project which is to apply a new pavement coat on Main Street from Central to 4th and on Butler Street from Central to the high school. In order for the Town to use this money it has to be on a functioning classified road and there are only a few roads that are classified functioning roads being North Butler, 4th Avenue, School Bus Road and Main Street. The Town needs to make an effort to make South Butler a functioning classified road. South Butler is a stretch that we could extend School Bus over to Butler. In 2014 there is another half a million (there is over a half a million for Butler and Main Streets-\$537,000) and another half a million for 2015. Right now we have put School Bus Road and 4th on those to hold our place. That doesn't mean that we can't change streets later if we can get more classified streets approved by the ADOT. Councilor Gary Finch asked if it is for paving only or for other improvements on those streets? Steve Christensen said it could be for other improvements as well.
- LeSueur Drainage Project is currently waiting for Rob Toy and we still don't know when we will get the final contract which is a couple of hundred thousand dollar project.
- Springline metering, and chlorinating station is a good project for over the winter to get rid of the chlorine gas situation on the Springline.

- Foothills CDBG sewer project is moved to March 2012, to install sewer line & pave Brown and Hamblin Streets
- Street maintenance & construction as money comes in

ITEM #6: OPEN CALL TO THE PUBLIC

Springerville-Eagar Regional Chamber of Commerce Director Becki Christensen reported:

- Next Chamber Mixer will be held at Paradise Pizza at noon August 17th
- Shop local survey - have received a lot of feed back from businesses on the shop local survey
- Springerville-Eagar Chamber and St. Johns Chamber are joining together for the Apache County Country Fire Event scheduled for September 3, 2011 at Lyman Lake State Park starting from 9:00 a.m. till 9:00 p.m. There will be a \$10,000 prize for whoever catches the tagged fish. There will be children's games, vendors, swimming, hiking, boating, three live country music bands, and fireworks. Cost is the regular park fee- \$7.00 a carload or \$3 per person. Hoping there will be enough people out there that this will impress the State that they should keep Lyman Lake open longer.
- Tony Kyle, the business consultant, has set an event called the Winter Jamboree set for February 17th, 18th, 19th, and 20th, 2012 at the Round Valley School Dome. Most of the expos for skiing and winter sports are at the beginning of the season when new products are introduced. This event is going for liquidation sales and will be the only one at the end of the season. There will be great prizes for this event and the whole program is laid out. It's a very big, intense project aimed at bringing people in from outside. Trying to find a big name country band to perform for this event.
- Leaving tomorrow to go to the Arizona Chamber Executive Legislation Conference and what she learns she will bring back to the Council
- Two ribbon-cuttings on Wednesday, August 24th 2011. One is at Big Lake that starts at 8:00 a.m. at the Big Lake General Store, the ribbon cutting is actually at 10:30 a.m. and Governor Brewer will attend. Local officials will be there making presentations. The other ribbon cutting is the Round Valley Justice Court at 11:00 a.m. with reception to follow.

ITEM #7: UNFINISHED BUSINESS

A. REPORT – WALLOW FIRE UPDATE

Town Manager Bill Greenwood reported that his last update is from August 9th. The report stated that straw received right now is coming from as far away as Nebraska. Cutting of hazard trees near roads and power lines are close to completion – that phase is winding down. Local people are enjoying the work. Councilor Steve Erhart stated that some of the complaints he has heard from local people is that payment is slow coming, and some have not been paid from the fire. Mr. Greenwood reported that the Town is awaiting the second reimbursement check, but the first one came fast.

ITEM #8: NEW BUSINESS

A. DISCUSSION AND CONSIDERATION TO HOLD EAGAR COUNCIL / TOWN MANAGER / DEPARTMENT HEAD RETREAT AND SETTING THE DATE, TIME AND LOCATION

Mayor Kim Holaway said that last year we changed our goals and did determine five major goals and objectives that we wanted to accomplish. These goals and objectives could be reevaluated and measured, and add more strategies could be discussed to further those and new goals. Vice-Mayor James Nelson, Jr. stated that it is beneficial for council and staff to conduct a retreat. A retreat allows Council to talk directly with the department heads and discuss the Town's future and goals. Councilor Gary Finch said that in light of the major events that have happened, we would have the opportunity to redirect some of our efforts. Mayor Holaway said sometimes we are surprised at how much we have accomplished in the year. It gives us the chance to look back and see all that the staff has done. Councilor Steve Erhart said our goals might have changed due to economic circumstances.

Council agreed to hold a Council/Town Manager/Department Head Retreat, to be scheduled for Monday, October 17, 2011 at the Trailriders Family Restaurant from 4:00 - 8:00 p.m. Mayor Holaway was asked to once again to facilitate the meeting. Mayor Holaway agreed and she will prepare a draft agenda to give to council and department heads.

B. DISCUSSION OF BRUCE RAY PROPOSALS FOR POSSIBLE ARIZONA STATE RETIREMENT SYSTEM (ASRS) BUYOUT AND CONTINUED CONTRACT WORK AS COMMUNITY DEVELOPMENT DIRECTOR ADMINISTERED THROUGH EDUCATIONAL SERVICES INCORPORATED (ESI)

Town Manager Bill Greenwood said there were a few things that were different with ESI: only one-year contracts could be renewed with them and some of the amounts would be a little different. Town Clerk Eva Wilson said beginning July 1, 2012 Arizona State Retirement System (ASRS) will charge employers an Alternate Contribution Rate (ACR) which is to offset contributions not being paid by contract employees into the system. The ACR will never be less than 2% and never greater than what the employer rate is (10.47% right now). It is based on a formula that is two times the deficit of the ASRS plan from year to year.

Mr. Greenwood said if this is something the Council wishes to entertain, then two weeks from tonight a representative from ESI can make a presentation on how the contract works. Before bringing someone in the Council would like to see the schedule and cost benefits. Council would not like to guarantee a contract employee greater job security than a town employee. Councilor Gary Finch said in the Town's current condition and the current condition of the economy, if the economy continues to get worse and the Town has to operate on bare bones, then some of the non-critical community development tasks may go by the wayside and Mr. Ray or whoever is in that position could end up going from a full time position to a part time position if an at-will employee.

Vice-Mayor James Nelson, Jr. said he would like to know compensation rates for a less experienced community development director. Councilor Steve Erhart requested the most accurate financial break down for this proposal and answers to some of these questions to make sure the Town does not guarantee anybody anything over and above what a town employee would have. The Council also preferred language that allows termination of a contract.

Councilor Tim Rasmussen had concerns regarding performing an employee performance evaluation of a contract employee and stated that this language may need to be added into a contract. He also had concerns on how a contract employee could interact with the Planning and Zoning Commission.

Councilor Gary Finch wanted to know what the advantage was to using contract employees with this company. Mayor Holaway stated that ASRS does not allow retired members to return to work with an ASRS employer unless they meet 20/20 rule (less than 20 hours per week and not more than 20 weeks in a year) and that contract employees cannot contribute to ASRS – this is where the ACR is required from the employer.

ESI charges \$1,600 for an annual administration fee and the contract employee receives their paycheck from ESI.

Councilor Tim Rasmussen said if down the road finances got tighter, the first year with this contract would save the Town \$33,000, that could potentially save an employee's position. Councilor Byron Smith said many employers practice hiring contract employees; it is a way to keep their employees happy and still retain the experience and the knowledge of those employees. He added that the Council should not lose sight of the fact that Mr. Ray is a valuable employee.

Mayor Kim Holaway said there are advantages to the Town with these proposals. It is good to look at them very carefully on a case-by-case basis to find the advantages and disadvantages to the Town and the employee. Councilor Byron Smith asked if Mr. Ray would have to work the full contract and if he just quit would ESI supply us with another worker? Community Development Administrator Bruce Ray said he would have to work the full contract period. Bruce Ray said that whatever the Town agrees to would be written in the contract. Mayor Holaway said that the contract could be terminated after a 30-day written notice to ESI. Council directed Mr. Ray to get an email out to Council with the information the Council wanted from ESI in the next week and a half. That would give Council enough time to determine if they wanted it on the agenda and contact the ESI representative to be here. Mr. Ray could be working for the town five to eight more years.

ITEM #9: EXECUTIVE SESSION

- A. EXECUTIVE SESSION AS ALLOWED BY A.R.S. §38-431.03.A.1 – DISCUSSION OR CONSIDERATION OF EMPLOYMENT, ASSIGNMENT, APPOINTMENT, PROMOTION, DEMOTION, DISMISSAL, SALARIES, DISCIPLINING OR

RESIGNATION OF A PUBLIC OFFICER, APPOINTEE OR EMPLOYEE OF ANY
PUBLIC BODY, EXCEPT THAT, WITH THE EXCEPTION OF SALARY
DISCUSSIONS, AN OFFICER, APPOINTEE OR EMPLOYEE MAY DEMAND THAT
THE DISCUSSION OR CONSIDERATION OCCUR AT A PUBLIC MEETING – TOWN
MANAGER PERFORMANCE EVALUATION

Councilor Steve Erhart moved to convene into Executive Session at 8:15 p.m. Councilor Debbie Rogers seconded; all were in favor, motion carried unanimously. 7-0

RECONVENE INTO REGULAR SESSION

**B. DISCUSSION AND CONSIDERATION OF ANY ACTION DEEMED NECESSARY
FROM THE EXECUTIVE SESSION**

Councilor Steve Erhart moved to reconvene into Regular Session at 9:42 p.m. Vice-Mayor James Nelson, Jr. seconded; all were in favor, motion carried unanimously. 7-0

No action was taken from the Executive Session.

ITEM # 10: SIGNING OF DOCUMENTS

There were no documents to sign.

ITEM #11: ADJOURNMENT

Councilor Steve Erhart moved to adjourn the regular council meeting at 9:45 p.m. Seconded by Vice-Mayor James Nelson, Jr; all were in favor and the motion carried unanimously 7-0.

Attest: _____

Mayor: _____

Vice-Mayor: _____

Council: _____

Eagar Council Regular Session
August 16, 2011

CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes are true and correct copy of the minutes of the Regular session of the Town of Eagar, Arizona held on August 16, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Eva M. Wilson, Town Clerk